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May 14, 2013

RECEIVED
2013 MAY 14 PM 12:06
SC PUBLIC SERVICE
COMMISSION

VIA HAND-DELIVERY

The Honorable Jocelyn D. Boyd
Chief Clerk/Administrator

Public Service Commission of South Carolina

101 Executive Center Drive
Columbia, South Carolina 29211

RE: Application of Palmetto Utilities, Inc. for adjustment of rates and charges for, and modification to certain terms and conditions related to, the provision of sewer service. Docket No. 2013-42-S

Dear Ms. Boyd:

Enclosed please find a copy of a letter received by me from TGS Company, Inc. regarding the above-referenced matter. I believe that that the sender intended to file this letter with your office.

By copy of this letter, I am providing counsel for the Office of Regulatory Staff ("ORS") with a copy of this letter and notifying TGS Company, Inc. that a copy has also been forwarded to your office and to ORS.

If you have any questions or if you need any additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

WILLOUGHBY & HOEFER, P.A.



John M.S. Hoefer

JMSH/ccm

Enclosure

cc: Nanette S. Edwards, Esquire
Mr. Christopher P. Smith



RECEIVED

2013 MAY 14 PM 12: 06

SC PUBLIC SERVICE
COMMISSION

John M.S. Hoefer
Willoughby & Hoefer, PA
Post Office Box 8416
Columbia SC, 29202

May 9, 2013

RE: Docket No. 2013-42-S

To Whom It May Concern:

We, TGS Company, Inc d/b/a Moe's Southwest Grill, have received notice that Palmetto Utilities was trying to increase sewage rates from \$33/SFE to \$39/SFE. This would adversely impact our small business located at 470-1 Town Center Pl, Columbia, SC 29229. We oppose any and all rate increases by Palmetto Utilities for three main reasons:

1. In 2012, Palmetto Utility costs on our Town Center location were already 35% higher than what our 8 other existing Moe's restaurants paid in other cities, towns, and municipalities.
2. As of April/May 2013, Palmetto Utilities changed the "loading factors" (traffic counts, seating, etc) associated with many businesses in Northeast Columbia – including our Town Center location. This RECENT CHANGE has resulted in a 28.3% monthly sewage cost increase.
3. **The combination effect. The loading factors change (that took effect April 2013) plus the proposed rate increase would combine for a 51.6% increase in monthly sewage costs over 2012. Again, a 51.6% increase.**

In 2012, the Moe's at 470-1 Town Center Place paid \$437.25/mo for sewage alone. Our 8 other Moe's restaurants in SC, NC, and GA paid an average of \$325/mo for BOTH WATER AND SEWAGE. **Palmetto Utilities 2012 charge for sewage was 35% higher than the fair market value for BOTH WATER AND SEWAGE.** If we combine the Palmetto Utilities \$437.25 monthly charge with our average City of Columbia water bill of \$187, our Town Center location is paying an average of \$625/mo for water and sewage. This is \$300/mo higher (or 92% higher) than what 8 other regional locations are paying for the SAME SERVICES. As a result, we were already at an unacceptably high rate for water/sewage services in 2012.

CORRESPONDENCE

PO Box 866, Blythewood, SC 29016

LOCATIONS

625 Main St, Columbia, SC 29201
470-1 Town Center Pl, Columbia, SC 29229
2130 N. Beltline Blvd, Ste 104, Columbia, SC 29204
4601 Devine St, Columbia, SC 29205
210 E. Trade St, Charlotte NC 28202

1500 Whiskey Rd, Aiken, SC 29803
4239-1 Washington Rd, Evans, GA 30809
2805-C Washington Rd, Augusta, GA 30909
3450 Wrightsboro Rd, D-225, Augusta, GA 30909
3908 E. Franklin Blvd, Ste 100, Gastonia, NC 28056



In April/May 2013, Palmetto Utilities completed an "audit" of "loading factors" on many businesses in the Northeast of Columbia. Their audit at our 470-1 Town Center location was not announced. A representative just showed up and asked an employee how many takeout orders the restaurant had on a daily basis. The Palmetto Utilities representative then proceeded to over count the number of seats in the restaurant (by 10 seats). After hearing of this clandestine audit, we corrected their numbers.

With Palmetto Utilities new "loading factors" input for our Town Center Moe's, the April Palmetto Utilities bill jumped from \$437.25/mo to an even higher \$561/mo. **Essentially, Palmetto Utilities took their prices up on our small business 28.3% in April 2013.** They will argue that they operated within the limits of the Public Service Commission's code. We contend they stretched, if not overstepped, those limits as much to their favor as possible.

Now, Palmetto Utilities wants to increase their rates 18% – within the same year – to \$33/SFE to \$39/SFE. When does it stop?

If this proposed rate increase is approved, our Town Center Moe's will have to pay \$663/mo for sewage, but the business will have an average water bill of \$187/mo. If approved, sewage will cost 3-1/2 times what we pay to bring water in to the business.

If approved, the Town Center Moe's combined sewage/water bill will go from its 2012 average of \$625/mo to \$850/mo. **A 36% increase.** Again, we had 8 other Moe's Southwest Grill restaurants in 2012 that averaged just \$325 per month for BOTH SEWAGE AND WATER. **\$850/mo versus \$325/mo. 261% higher.**

As a business providing a public utility service, we'd hope to see Palmetto Utilities have more open practices and more competitive pricing. At present, practices and pricing are monopolistic.

TGS Company, Inc d/b/a Moe's Southwest Grill opposes the proposed rate increase.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris P. Smith", written over a horizontal line.

Christopher P. Smith, Franchisee
704-953-7008
chris@moescolumbia.com

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PO Box 866, Blythewood, SC 29016

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